

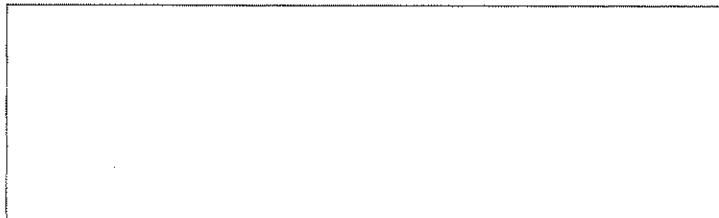


STATE OF MAINE
PUBLIC UTILITIES COMMISSION
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JACK CASHMAN
CHAIRMAN

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DAVID LITTELL
COMMISSIONERS

January 11, 2011



To: Public Utilities Designated as Incumbent Local Exchange Carriers

SUBJECT: 2010 Annual Report to the Public Utilities Commission

NOTE: IT IS THE RESPONSIBILITY OF THE UTILITY TO ENSURE THAT BOTH THE PAPER REPORT IS FILED WITH THE COMMISSION AND THAT THE ELECTRONIC FILING IS COMPLETED IN A TIMELY MANNER AND USING THE MOST RECENT REPORT FORM.

Utility Contact Information Sheet Due:	February 18, 2010
Annual Report/Revenue Due Date:	April 1, 2011
Extension Request Deadline:	March 30, 2011
Extended Annual Report Due Date:	May 3, 2011

The PUC Report changed in 2008 – do not use forms from prior years.

Source of Gross Revenues: The total revenue subject to assessment is calculated on page 8a, using information reported on page 8. Page 8a should automatically be completed once you have completed page 8.

Link to Electronic Copy of Report and Filing Instructions:
<http://www.maine.gov/mpuc/online/forms.shtml>

Link to Filing Site: <http://mpuc.informe.org/filereport>
User ID: annrpt
Password: 176*671

Pursuant to 35-A M.R.S.A. § 504, public utilities must submit an Annual Report to the Maine Public Utilities Commission (Commission). The Report for the year ended December 31, 2010, is due by April 1, 2011. The Commission has established different reporting requirements for various types of telephone utilities. The Annual Report for public utilities that are authorized to operate as Incumbent Local Exchange Carriers (ILECs) is available from the link to the Commission web site that is listed on page 1 of this letter. Each reporting ILEC must file one paper copy and one electronic copy (Excel format) with the Commission.

In lieu of the Annual Report for ILECs, Northern New England Telephone Operations, Inc. d/b/a FairPoint Communications-NNE must file portions of its FCC ARMIS report as set forth in the Commission's Procedural Order dated November 12, 2008, in Docket No. 2008-108.

Any request for extension of the filing deadline must be in writing and must be sent to Lucretia Smith, Utility Analyst at the Commission by March 30, 2011. For this purpose, an email message is acceptable (Lucretia.smith@maine.gov). An extension of up to one month may be granted for the non-financial information. However, because the Commission must complete its annual assessment preparation, which requires the use of operating information, by May 1 of each year, companies must file revenue information by the April 1 deadline. Utilities with less than \$50,000 in gross intrastate operating revenues will not be assessed, but all utilities must report their revenues. Utilities that fail to file a timely report may be subject to enforcement procedures.

On page 8 of the Annual Report form the utility must report the intrastate revenues that are subject to the Commission assessment. These revenues are defined in 35-A M.R.S.A. § 116 as follows: "For the purposes of this section, 'intrastate gross operating revenues' mean intrastate revenues derived from filed rates, except revenues derived from sales for resale." Thus, Revenues Subject to Assessment are those intrastate revenues derived from the sale to end users of (1) goods or services that are made under an approved tariff on file with the Commission, (2) a service that has been detariffed pursuant to Chapter 214, or (3) goods or services made under a special contract that is subject to Commission jurisdiction. Wholesale revenues are not subject to assessment. The total revenue subject to assessment is calculated on page 8 (a), based on the amounts entered on page 8.

A utility that operates as both an ILEC and an interexchange carrier (IXC) within a single organizational entity must report its financial information on a combined basis, unless the IXC has received authorization from the Commission to operate as a separate entity. In the latter case, the ILEC and IXC information should be provided separately on the appropriate forms.

If a utility offers services that generate jurisdictionally-combined revenue, it must indicate on its report the method it uses to separate the combined revenue for reporting purposes. Chapter 285, the Maine Telecommunications Education Access Fund, at Section 2 (C) and (D), and Chapter 288, the Maine Universal Service Fund, at Section 4 (D) and (E), require that carriers employ an approved separations method for reporting any

jurisdictionally-combined revenues to the Joint Administrator of the funds. Each utility must use that same method for Annual Report purposes. ILECs must also comply with Chapter 289, Requirements and Terms for Bundled Services Offered by Incumbent Local Exchange Carriers, Section 15, when applicable.

Although annual assessments are based on intrastate operating revenues (i.e., those subject to Commission jurisdiction), utilities must report all revenue generated from operations in Maine, because the Commission needs this information for other regulatory and analytical purposes.

Pursuant to Chapter 710 of the Commission Rules, each utility must have its books of account audited and file a copy of its independent auditor's report with the Commission by July 1, 2011, but it may request an extension if necessary. If the auditor expresses a qualified opinion or finds inaccuracies in the information contained in the Annual Report, the utility must file corrected pages of the Annual Report, and it must indicate what action it will take to prevent future misreporting or to correct any identified deficiency in its accounting systems.

Questions about the Annual Report should be directed to Richard Kania at (207) 287-1379 or at rich.kania@maine.gov.

Electronic filing is done through a one-page web process. We have attached an instruction sheet detailing the process to access the appropriate web page and file the Annual Report electronically.

The Utility Contact Information Sheet, also available electronically on our web page at <http://www.maine.gov/mpuc/online/forms/AnnualReportForms.html> under "All Utilities", is necessary to ensure that the Commission has current points of contact for all utilities in the State. Please complete the form according to its instructions and return it to the Commission, to the attention of Tammy Chamberlain via facsimile (207-287-1039) or mail, by **February 18, 2011**. Questions about the Contact Information Sheet should be directed to Tammy Chamberlain at 207-287-6075 or tammy.chamberlain@maine.gov.

We have also enclosed an updated Contact Protocol containing procedures for all immediate notifications provided to the Commission pursuant to Chapters 130, 200, and 895 of the Commission's Rules and Chapter 2 of the ESCB Rules. Please distribute this Protocol to all personnel responsible for notifying the Commission about emergencies, accidents, safety or security issues, underground facility damage, or service-related failures or outages. **The MPUC contact information attached to the Contact Protocol is confidential and shall not be given out to the public.**

Sincerely,



Karen Geraghty
Administrative Director

Enclosure